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STATE FOR S/GAC, EAP/MLS

E.O. 12958: DECL: 10/23/2018

TAGS: EAID KHIV PREL BM FUN

SUBJECT: BURMA: EU URGES U.S. PATIENCE ON GLOBAL FUND
RE-ENTRY

REF: A. A)10/23/08 BOWLES/EMERY EMAIL

1B. B) STATE 105179

Classified By: POL M-C CHRIS DAVIS FOR REASONS 1.4 B & G

11. (C) Summary: Per REFTEL instructions, Poloff shared the U.S. position on the Global Fund in Burma with European Commission External Relations and Development officials. They agreed with our principles, but felt that it was too early in the process for many of the details. They said Global Fund rules provide adequate Special Safeguards for donor funds, as would seem appropriate in the Burmese context. Additionally, they made an informal inquiry about U.S. financial support for the Three Diseases Fund in Burma. End Summary.

12. (C) On October 24, following REFTEL A instructions, Poloff delivered REFTEL B points to European Commission officials Andreas List of the Burma Desk at DG External Relations and Dr. Frederic Goyet, Counselor for Health Policy at DG Development. Goyet works on Global Fund issues, and is a national expert seconded from Paris. The meeting was held at Goyet's request, as he wished to receive clarification on the U.S. position regarding the re-entry of the Global Fund into Burma.

13. (C) List and Goyet explained that following the October 2 Donor Coordination Meeting in Rangoon, there was consternation about the U.S. position. Specifically, some other donors concluded that the United States wanted to block the Global Fund re-engaging in Burma. Goyet said he could not believe that this was the USG's intention, so he wanted to "be helpful" by better understanding our position and explain it to the other donors.

14. (C) Upon hearing the REB B points, List and Goyet deemed them to be reasonable, and not to deviate in any significant respect from the views of the EU, or, in their opinion, the views of other donors. However, they said the USG was taking the wrong approach by laying out specific policy expectations at this early stage. They urged us to operate within the framework of the Global Fund's rules, which they claimed would uphold our principles and not unnecessarily antagonize the Burmese or the other donors. Goyet suggested that we should consider asking the Global Fund Secretariat to provide us a briefing on how they would implement the Special Safeguards authorized in the Global Fund's rules, as they would seem to be appropriate in the Burmese context.

15. (C) List contended that our list of principles reads like a list of demands. He claimed that the 2005 departure of the Global Fund from Burma, under pressure from the United

States, still rankles other donors, and that we should avoid transferring bilateral political disputes into the Global Fund process. He advised that we emphasize our first point of full support for efforts to aid the people of Burma, and to improve their quality of life. List said that an appropriate time to make our principles known would be in spring 2009, after a Country Coordinating Mechanism is decided, and during the more serious negotiations. They especially urge us not to discuss REFTEL B points with the Government of Burma, as it would likely shrink away from the Global Fund if confronted so bluntly.

¶6. (C) List was highly complimentary of the progress made by the Three Diseases Fund (3DF), which operates in Burma in the absence of the Global Fund. Qualifying his statement by saying that this was not an invitation, List inquired nonetheless as to whether the United States would consider making a contribution to the 3DF. He said that 3DF was useful against HIV/AIDS, and had also provided a needed forum for confronting Government of Burma leaders on resource allocation and policy issues. Without prompting, List offered the figure of USD 50 million as a possible appropriate donation amount.

SILVERBERG

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